

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA

-----X
UNITED STATES OF AMERICA,

Plaintiff,

v.

RICHARD J. HARLEY,

Defendant.
-----X

JURY TRIAL DEMANDED

No. 3:12-CR-224

Hon. A. Richard Caputo

FILED
SCRANTON

DEC - 9 2014

PER
DEPUTY CLERK

**DECLARATION OF DANIEL M. KUHN IN SUPPORT OF THE FEDERAL
RESERVE BANK OF NEW YORK'S MOTION TO QUASH SUBPOENAS
SERVED ON B. GERARD DAGES AND JAMES R. HENNESSY**

I, Daniel M. Kuhn, declare under penalty of perjury as follows:

1. I am an attorney with the Federal Reserve Bank of New York's (the "New York Fed"). I work in the New York Fed's Enforcement, Litigation and Investigation Division ("ELI"). I submit this Declaration in support of the Motion to Quash Subpoenas Served on B. Gerard Dages and James R. Hennessy, two current employees of the New York Fed.

2. Attached hereto as Exhibit A is a true and correct copy of a subpoena that Defendant Richard Harley caused to be served on B. Gerard Dages. The subpoena erroneously identifies Mr. Dages as B. Gerard Deges.

3. On or about November 24, 2014 I spoke with defense counsel, Joseph O'Brien, who indicated that he would be serving two subpoenas on Mr. Dages and Mr. Hennessy. I said I would accept service. Also on November 24, Mr. O'Brien filed ex parte motions for issuance of subpoenas under seal for service on James R. Hennessy and B. Gerard Deges [sic.], which the Court entered on December 1.

4. On December 3, 2014 the United States Marshal served the New York Fed with the Dages subpoena. The New York Fed did not receive the Hennessy subpoena on December 3. I have asked Mr. O'Brien about the Hennessy subpoena but as of this date I have not received a subpoena for Mr. Hennessy's testimony at trial.

5. I submit this affidavit in support of the motion to quash the Dages subpoena.

6. I submit this affidavit in support of the motion to quash the Hennessy subpoena, in the event that it is served via the New York Fed. However, the New York Fed reserves its right to contest the Hennessy subpoena due to failure of service.

7. Some of the documents that are likely to be the subject of Mr. Dages's and Mr. Hennessy's testimony were produced by the New York Fed, but were originally received by the New York Fed from Defendant. Aside from those documents, none of the documents likely at issue were found in the New York Fed's records unless they were originally provided to the New York Fed by Defendant.

8. Sahil Godiwala was an attorney and an Officer in the Enforcement, Litigation, Protection, and Investigation Division ("ELPI", now called "ELI") within the New York Fed's Legal Function.

9. Attorneys and Investigators in ELI support the New York Fed's efforts to combat frauds and scams in which criminals invoke the name of the Federal Reserve System and banks within the Federal Reserve System to deceive the public. That often requires interaction with victims and perpetrators of a particular fraud or scam.

10. On December 4, 2014, Defense counsel sent me an email with "documents that may be of interest to Mr. McCurdy," attaching a number of documents that the New York Fed had not previously seen. Those documents, to the extent potentially pertinent to Mr. Dages's or Mr. Hennessy's expected testimony, are described herein.

11. Attached hereto as Exhibit B is a copy of the "Statement of Readiness," dated September 19, 2008. This document was originally provided to the New York Fed by Defendant.

12. Attached hereto as Exhibit C is a copy of an April 2010 letter, addressed to no one, and confirming information about funds apparently held by "Trueworth Holdings, Ltd." This document the "April 2010 document" in the memorandum in support of the New York Fed's motion to quash, was sent to the New York Fed by Defense counsel on December 4, 2014, and was not previously in the New York Fed's possession, custody or control.

13. Attached hereto as Exhibit D is a true and correct copy of the Affidavit of James R. Hennessy in support of the motion to quash.

14. Attached hereto as Exhibit E is a true and correct copy of the Affidavit of B. Gerard Dages in support of the motion to quash.

15. As noted above, the ELI Division supports the New York Fed's efforts to combat frauds and scams in which criminals invoke the name of the Federal Reserve System and banks within the Federal Reserve System to deceive the public.

16. In that regard, the New York Fed expends substantial resources to educating the public about scams like this and others. The New York Fed maintains a website, which includes a link to "Frauds and Scams" at http://www.newyorkfed.org/banking/frauds_scams.html.

17. In the archive section of the "Frauds and Scams" page, the New York Fed describes the "Scam Involving Yhannes Riyadi and/or Wilfredo Saurin." http://www.newyorkfed.org/banking/New_York_Fed_archived_fraud_alerts.html. A true and correct copy of a screenshot from this webpage is attached hereto as Exhibit F.

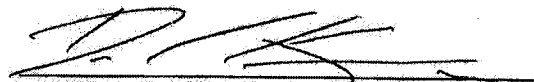
18. In addition to educating the public about frauds and scams, the New York Fed works with law enforcement agencies to assist their prosecution of perpetrators of frauds and scams.

19. The New York Fed also receives a large volume of calls and emails from individuals who are victims of this and other scam.

20. The New York Fed is a bank of the Federal Reserve System, and as such is a central bank, not a depository institution. Accordingly, it does not hold custodial accounts for individuals.

I declare under the penalty of perjury that the foregoing is true and correct.

Dated: December 9, 2013
New York, NY



Daniel M. Kuhn
Attorney
Federal Reserve Bank of New York

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA,

Plaintiff

v.

RICHARD J. HARLEY,

Defendant

JURY TRIAL DEMANDED

No. 3:12-CR-224

Honorable A. Richard Caputo

ORDER

AND NOW, this 25th day of November 2014, it is hereby ordered that Defendant, Richard J. Harley's, request to file an Ex Parte Motion for the Issuance of Subpoenas under Seal is granted and the Clerk is directed to file said Motion under Seal.



Honorable A. Richard Caputo, U.S.
District Judge

RECEIVED
LEGAL COUNSEL
2014 DEC -3 P 3:39
FEDERAL RESERVE
BANK OF NEW YORK

AO 89 (Rev. 03/09) Subpoena to Testify at a Hearing or Trial in a Criminal Case

UNITED STATES DISTRICT COURT

for the

United States of America

v.

Richard J. Harley

Defendant

Case No. 3:12-CR-224

Honorable A. Richard Caputo

SUBPOENA TO TESTIFY AT A HEARING OR TRIAL IN A CRIMINAL CASE

To: B. Gerard Deges
Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045

YOU ARE COMMANDED to appear in the United States district court at the time, date, and place shown below to testify in this criminal case. When you arrive, you must remain at the court until the judge or a court officer allows you to leave.

Place of Appearance: Max Rosen United States Courthouse 197 South Main St., Wilkes Barre, PA	Courtroom No.: 3 Date and Time: December 11, 2014 9:00 A.M.
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You must also bring with you the following documents, electronically stored information, or objects (*blank if not applicable*): All documents or records in your possession or under your control concerning Richard J. Harley, Joseph Teo Hui Kiat and Yohannes Riyadi, including but not limited to, (a) documents and records related to U.S. Treasury check 2122 10031730 drawn on the Federal Bank of New York to Joseph Teo Hui Kiat in the amount of \$500,000,000.00; (b) documents and records related to U.S. Treasury check 2122 10031731 drawn on the Federal Bank of New York to Yohannes Riyadi in the amount of \$500,000,000.00; (c) To Whom It May Concern letter of May 2009 concerning said checks; (d) safekeeping receipt of March 31, 2006 concerning said checks; (e) extended safekeeping receipt of April 14, 2008 concerning said checks, and a Statement of Readiness concerning said checks.

(SEAL)

Date: 11-25-2014

CLERK OF COURT MARIA E. ELKINS

Christine Swell Deputy Clerk
Signature of Clerk or Deputy Clerk

The name, address, e-mail, and telephone number of the attorney representing (name of party) Richard J. Harley
, who requests this subpoena, are:

Joseph A. O'Brien, Esquire
Oliver, Price & Rhodes
1212 South Abington Road
P.O. Box 240
Clarks Summit, PA 18411
570-585-1200
jaob@oprllaw.com

The Federal Reserve Board

FEDERAL RESERVE BANK
33 LIBERTY STREET
NEW YORK, NEW YORK, 10045, U.S.A.
PHONE: (212) 720 5000 FAX: (212) 720 6331

Date: September 18, 2008

Ref.: FRNY/0422788-09

To: Asset Management

CC: Mr. Yohannes Riyadi / Mr. Joseph Teo Hui Kiat

ACCOUNT NO.: 021088506 / SKR number FRNY/0518844-03 valid till April 15, 2010

STATEMENT OF READINESS

Dear Mr. Yohannes Riyadi / Mr. Joseph Teo Hui Kiat

At our Client's request, we, The Federal Reserve Bank of New York, Located at 33 Liberty Street, New York, New York, 10045, U.S.A. with telephone number 212 720 5000; Fax Number 212 720 6331; Swift Code: FRNY US 33, irrevocably confirm, with full bank responsibility for and on behalf of our Client, JOSEPH TEO HUI KIAT Singaporean Passport No: S 0068812, No. 2, Jalan Rajah Unit 07-04 Singapore 329134 and authorized owner and signatory of the SKR number FRNY/0518844-03 valid till April 15, 2010 held on deposit by us in the form of two U.S. Treasury checks with No. 212210031730 up to 212210031731 Deposit Instruments as detailed below, and to the value of \$1,000,000,000.00, USD (One Billion United States Dollars), that we are ready willing and able, upon the request of Mr. JOSEPH TEO HUI KIAT to immediately block said instruments in situ in favour on his nominated beneficiary and to record said blocking by way of the issuance of the following bank SWIFT instrument:

Confirmed by Key tested Telex and/or SWIFT/DTC to any responsible liquidating bank. On request an original certified copy of Safekeeping Receipt will be delivered via bonded courier bank-to-bank.

Details of Financial Instrument/s:

Type of Funds/Assets:	U.S. Treasury Checks
Check Numbers:	212210031730 up to 212210031731
Registration on FED Screen	- Access Code: YR-FED-11456773-18-071068-2006
	- Security Code: 382265 BFR 37
	- ID Number: YR-FED-2328819-071068-2006
Date of Issue:	March 31, 2006
Value Date:	March 31, 2011. Callable and renewable annually
Validity date:	April 15, 2010
Check Denomination:	Five Hundred Million United States Dollars (USD 500,000,000.00)
Total Amount:	One Billion United States Dollars (USD 1,000,000,000.00)

Highly Confidential

Federal Reserve Bank of New York 000012- ...

The Federal Reserve Board

FEDERAL RESERVE BANK

33 LIBERTY STREET

NEW YORK, NEW YORK, 10045, U.S.A.

PHONE : (212) 720 5000 FAX : (212) 720 6331

Bank Tel : 0212 720 5000

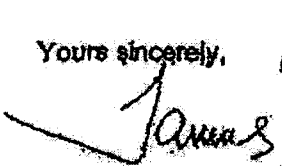
Bank Fax : 0212 720 6331

Bank Officer : Mr. James R. Hennessy (JRH 55 COS)

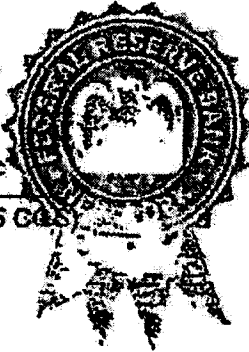
Mr. B. Gerard Dages (BGD 47 VP)

This Statement of Readiness is verifiable and may be confirmed on a Bank to Bank basis.

Yours sincerely,



James R. Hennessy
Chief of Staff (JRH 55 COS)



B. Gerard Dages
Vice President (BGD 47 VP)

FEDERAL RESERVE BANK
33 LIBERTY STREET
NEW YORK, NEW YORK, 10045, U.S.A.
PHONE : (212) 720 5000 FAX : (212) 720 6331

DATE : APRIL 2010
REF. : FRNY

TO: MR.
CC: MR.

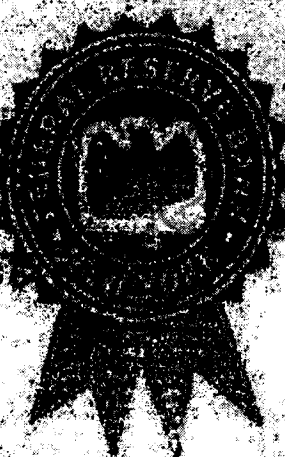
DEAR MR.

THIS LETTER PREPARED BY THE US FEDERAL RESERVE WILL CONFIRM THAT
TRUEWORTH HOLDINGS, LTD HAS ON ACCOUNT: # Number ONE TRILLION EURO,
LOCATED AT HSBC, LONDON AND IS IN GOOD STANDING AND FULLY ACTIVE.
THE FUNDS ON DEPOSIT IN THIS ACCOUNT ARE NON LEASED FUNDS BUT ARE
CLEAR, CLEAN AND UNENCUMBERED CASH FUNDS AVAILABLE FOR ANY TYPE OF
CREDIT LINE. FURTHERMORE WE CONFIRM THE FUNDS WERE BLOCKED AS
REQUESTED BY Trader's Name OF Company or Platform Name FOR HIS BANK, Name
Address WITH FINAL BENEFICIARY FOR Bank, Company or Platform Name AS SHOWN ON
THE EUROCLEAR PRINT OUT.

YOURS SINCERELY,

Chris Mc Curdy

CHRIS MC CURDY
SENIOR VICE PRESIDENT (CMC)



B. Gerard Dages

B. GERARD DAGES
VICE PRESIDENT (BGD 47 VP)

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA

-----X	:	JURY TRIAL DEMANDED
UNITED STATES OF AMERICA,	:	
	:	No. 3:12-CR-224
Plaintiff,	:	
	:	Hon. A. Richard Caputo
v.	:	
	:	
RICHARD J. HARLEY,	:	
	:	
Defendant.	:	
-----X	:	

**AFFIDAVIT OF JAMES R. HENNESSY IN SUPPORT OF THE FEDERAL
RESERVE BANK OF NEW YORK'S MOTION TO QUASH**

I, James R. Hennessy, declare under penalty of perjury as follows:

1. The Defendant recently attempted to serve me with a subpoena (the "Hennessy Subpoena") via my employer, the Federal Reserve Bank of New York's (the "New York Fed"). The Hennessy Subpoena orders me to testify at trial on December 11, 2014 and seeks the production of documents "concerning Richard J. Harley, Joseph Hui Kiat and Yohannes Riyadi..." and relating to two purported \$500,000,000.00 U.S. Treasury checks allegedly held by the New York Fed.
2. I submit this affidavit in support of the motion to quash the Hennessy Subpoena.
3. Quashal is appropriate because I lack knowledge of the documents and facts about which I am subpoenaed to testify. As set forth in greater detail below and in the memorandum of law in support of the motion to quash, I cannot offer any material or favorable testimony for the Defendant.
4. I have been employed by the Federal Reserve Bank of New York for 22 years.
5. I am a Senior Vice President and the Chief of Staff in the Executive Office of the New York Fed's Financial Institution Supervision Group.

6. The Financial Institution Supervision Group ("FISG") supervises and regulates financial institutions in the Federal Reserve System's Second District, over which the New York Fed is delegated supervisory authority by the Board of Governors. FISG assesses the safety and soundness of domestic banking institutions and operations of foreign banking organizations in the District through periodic onsite evaluation and offsite financial analysis and surveillance. FISG also analyzes issues and developments to identify emerging supervisory risks and develop domestic and international supervisory policy.

7. As Chief of Staff to the head of FISG, Executive Vice President Sarah Dahlgren, I am central to FISG's operations, and I deal with practically every issue that requires the attention of senior officers within FISG.

8. During the time period that is relevant in this case, 2009-2010, I was a Counsel and Vice President in the New York Fed's Legal Group.

9. I reside at 820 Park Avenue, New York, New York, which is over 100 miles from the United States Federal Courthouse in Wilkes-Barre, Pennsylvania. Missing a day of work to travel to and from Wilkes-Barre would be burdensome to the operations of my employer.

10. The attorneys at the New York Fed who are moving to quash the Hennessy Subpoena have shown me certain documents that are likely the subject of my anticipated testimony. I have reviewed the documents, which include a Statement of Readiness and two purported United States Treasury checks in the amount of \$500 million.

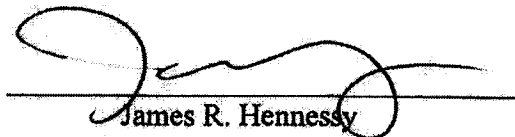
11. I make the following sworn statements about the documents that are likely the subject of my testimony:

- a. I did not sign the "Statement of Readiness" that bears my name, and the signature on that document is not mine and does not resemble mine.

- b. Aside from this document, which I did not sign, I have never seen a document called a "Statement of Readiness." In fact, to the best of my knowledge, the New York Fed does not issue "Statements of Readiness."
 - c. I do not know, and have not had professional and personal interactions with the individuals identified in the "Statement of Readiness," specifically Yohannes Riyadi and Josef Teo Hui Kiat. I also do not know and have not had professional and personal interactions with Richard Harley.
 - d. The image of the eagle at the top of the document is not one that has ever been associated with the New York Fed.
 - e. The information under "Details of Financial Instrument/s:" is not familiar to me.
 - f. I do not recognize the numbers appearing after my name on the "Statement of Readiness," and those numbers are not identification numbers associated with me.
12. I am not aware of any other documents relating to the issues and documents referenced herein or specifically requested in subpoena.


I declare under the penalty of perjury that the foregoing is true and correct.

Dated: December 8, 2014
New York, NY


James R. Hennessy

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

Sworn before me on this 8th, of December, 2014


Notary Public
Commission Expires: 10/7/17

KARINE LOUIS
Notary Public, State of New York
No. 02LO6289976
Qualified in New York County
Commission Expires 10/7/2017

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA

-----X		
UNITED STATES OF AMERICA,	:	JURY TRIAL DEMANDED
	:	
Plaintiff,	:	No. 3:12-CR-224
	:	
v.	:	Hon. A. Richard Caputo
	:	
RICHARD J. HARLEY,	:	
	:	
Defendant.	:	
-----X		

**AFFIDAVIT OF B. GERARD DAGES IN SUPPORT OF THE FEDERAL
RESERVE BANK OF NEW YORK'S MOTION TO QUASH**

I, B. Gerard Dages, declare under penalty of perjury as follows:

1. On December 3, 2014 Defendant served me with a subpoena which my employer, the Federal Reserve Bank of New York (the "New York Fed") accepted on my behalf (the "Dages Subpoena"). The Dages Subpoena orders me to testify at trial on December 11, 2014 and seeks the production of documents "concerning Richard J. Harley, Joseph Hui Kiat and Yohannes Riyadi..." relating to two purported \$500,000,000.00 U.S. Treasury checks allegedly held by the New York Fed.
2. I submit this affidavit in support of the motion to quash the Dages Subpoena.
3. Quashal is appropriate because I lack knowledge of the documents and facts about which I am subpoenaed to testify. As set forth in greater detail below and in the memorandum of law in support of the motion to quash, I cannot offer any material or favorable testimony for the Defendant.
4. I have been employed by the Federal Reserve Bank of New York for 26 years.
5. I am a Senior Vice President in the Financial Markets & Institutions Function, within the New York Fed's Emerging Markets and International Affairs Group. I was employed by the New York Fed in the same position during the time period that is relevant in this case, 2009-2010.

6. The Financial Markets & Institutions Function analyzes international financial sectors, including such issues as: banking sector condition and performance; credit and funding conditions; systemic risks; supervision and regulation; and associated financial reform and policy issues. The Function also analyzes debt and equity market developments in countries under coverage.

7. As head of this Function, I travel frequently. In fact I am travelling to Turkey during the week of December 8-11, and am unavailable to testify, in the event the motion to quash is denied.

8. I reside at 61 Irving Place, New York, New York, which is over 100 miles from the United States Federal Courthouse in Wilkes-Barre, Pennsylvania. Missing a day of work to travel to and from Wilkes-Barre would be burdensome to the operations of my employer.

9. The attorneys at the New York Fed who are moving to quash the Dages Subpoena have shown me certain documents that are likely the subject of my anticipated testimony. I have reviewed the documents, which include a Statement of Readiness and two purported United States Treasury checks in the amount of \$500 million, and document purportedly on "Federal Reserve Bank" letterhead, dated April 2010 and directed "TO: MR." and "DEAR MR." (the April 2010 document").

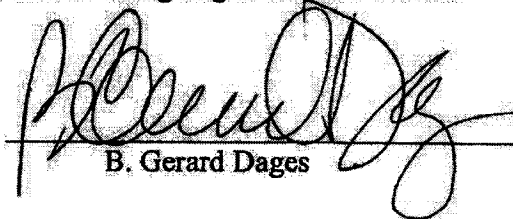
10. I make the following sworn statements about the documents that are likely the subject of my testimony:

- a. I did not sign the "Statement of Readiness" that bears my name, and the signature on that document is not mine and does not resemble mine.
- b. Aside from this document, which I did not sign, I have never seen a document called a "Statement of Readiness." In fact, to the best of my knowledge, the New York Fed does not issue "Statements of Readiness."

- c. I do not know, and have had not professional and personal interactions with the individuals identified in the "Statement of Readiness," specifically Yohannes Riyadi and Josef Teo Hui Kiat. I also do not know and have had not professional and personal interactions with Richard Harley.
 - d. The image of the eagle at the top of the document is not one that has ever been associated with the New York Fed, to my knowledge.
 - e. The information under "Details of Financial Instrument/s:" is not familiar to me.
 - f. I do not recognize the numbers appearing after my name on the "Statement of Readiness," and those numbers are not identification numbers associated with me.
 - g. The signature on April 2010 document is not mine and does not resemble mine.
11. I am not aware of any other documents relating to the issues and documents referenced herein or specifically requested in subpoena.


I declare under the penalty of perjury that the foregoing is true and correct.

Dated: December 5, 2014
New York, NY


B. Gerard Dages

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

Sworn before me on this 5th, of December, 2014


Notary Public
Commission Expires: 10/7/17

KARINE LOUIS
Notary Public, State of New York
No. 02LO6289975
Qualified in New York County
Commission Expires 10/7/2017

FEDERAL RESERVE BANK of NEW YORK *Serving the Second District and the Nation*

About the
New York Fed

Markets & Policy
Implementation

Economic
Research

Financial Institution
Supervision

Financial Services
& Infrastructure

Outreach
& Education

New York Fed Archived Fraud Alerts

Federal Reserve Board Alerts Public to Instances of Questionable Solicitations Directed at Consumers *November 2008*

The Federal Reserve Board on November 4 alerted the public to instances of questionable solicitations directed at consumers. These solicitations promise consumers access to personal loans through a nonexistent Federal Reserve lending program.

Under this fraudulent scheme, targeted individuals are told that they can work through a broker to access a Federal Reserve program that extends sizable secured loans to consumers. Consumers are encouraged to deposit large sums of money into a bank account, under the guise of a security deposit, in order to receive the purported loan. The Federal Reserve is advising consumers that it has no involvement in these solicitations and does not directly sponsor consumer lending programs. The matter has been referred to the appropriate authorities for action.

Consumers are strongly urged to verify the legitimacy of potential service providers before entering into a business transaction. Individuals seeking personal finance options are encouraged to do business only with reputable lenders and to shop around for the most favorable loan terms.

Board of Governors press release [OFFICE](#)

Scam Involving Yohannes Riyadi and/or Wilfredo Saurin *November 2007*

The Federal Reserve is aware of a fraudulent scam involving individuals using the names Yohannes Riyadi and/or Wilfredo Saurin, or persons claiming to be representatives of these two men. In a typical version of this scam, Mr. Riyadi and/or his delegates falsely claim that they have on deposit with the Federal Reserve Bank of New York several U.S. Treasury Checks issued to Mr. Riyadi amounting to billions of dollars.

The Federal Reserve Bank of New York has been contacted by several brokers and financial institutions worldwide inquiring about the validity of this fraudulent account documentation, which is being offered as collateral for lines of credit or other types of asset based financing. The fraudulent scheme includes multiple documents which purport to have the signatures of various Federal Reserve officials, including Chairman Ben Bernanke.

In some instances, individuals involved in this fraudulent scheme claim to have met with Federal Reserve officials and claim to have verified that the alleged account is in order. We have also learned that the fraud may include the purchase of certain documents by the introducing brokers.

If you have information regarding this fraud please contact either Robert Amenta, Special Investigator at the Federal Reserve Bank of New York, or Erik Rosenblatt, Senior Special Agent at the Department of Homeland Security, Immigration and Customs Enforcement.

Discovered 1930s Notes and Bonds *July 2005*

The Federal Reserve is aware of several scams involving high denomination Federal Reserve notes and bonds, often in denominations of 100 million or 500 million dollars, dating back to the 1930s, usually 1934. In each of these schemes, fraudulent instruments are claimed to be part of a long-lost supply of recently discovered Federal Reserve notes or bonds.

Fraudsters often falsely claim that the purported Federal Reserve notes or bonds that they hold are somehow very special and are not known to the public because they are so secret. Fraudsters have attempted to sell these worthless instruments, or to redeem or exchange them at banks and other financial institutions, or to secure loans or obtain lines of credit using the fictitious instruments as collateral.

The Federal Reserve has never issued any bonds or notes with coupons attached. The Federal Reserve Bank of New York is not aware of any currency or debt stockpile of large denomination Federal Reserve notes

TOOLS

RELATED EXTERNAL CONTENT

from the 1930s and warns that any institution that pays out on such a claim does so at its own risk.

It should also be noted that the largest denomination of currency ever printed by the Bureau of Engraving and Printing was the \$100,000 Series 1934 Gold Certificate featuring the portrait of President Wilson. These notes were printed from December 18, 1934, through January 9, 1935, and were issued by the Treasurer of the United States to Federal Reserve Banks only against an equal amount of gold bullion held by the Treasury Department. The notes were used only for official transactions between Federal Reserve Banks and were not circulated among the general public.

Fraudulent Federal Reserve Note Schemes SR 03-14, July 16, 2003

Below we have provided images of various fraudulent Federal Reserve Notes or Bonds

Sample Fraud 1 (*jpg* - 177 kb)
Sample Fraud 2 (*jpg* - 225 kb)
Sample Fraud 3 (*jpg* - 177 kb)
Sample Fraud 4 (*jpg* - 243 kb)
Sample Fraud 5 (*jpg* - 251 kb)
Sample Fraud 6 (*jpg* - 259 kb)
Sample Fraud 7 (*jpg* - 111 kb)
Sample Fraud 8 (*jpg* - 155 kb)

For more information about the legitimate Federal Reserve note denominations, visit the Bureau of Engraving and Printing's website, www.moneyfactory.gov.

Private Placement Programs/High Yield Investment Programs
July 2005

So-called high yield investment programs or "capital enhancement programs" purport to be highly secretive, very lucrative programs of investment in various financial instruments, such as medium term notes, standby letters of credit and "prime bank" guarantees. These fraudulent "programs" are presented as legitimate investment vehicles being offered by "invitation only" by the "U.S. Federal Reserve Bank."

Scam artists claim that proceeds from the programs are slated for investment, often abroad. Fictitious letters are often used to convince targets that the programs are legitimate.

Targets are told that in order to participate they must provide the scam artist with verification of large (usually multi-million dollar) deposits in a personal bank account, and to provide an enlarged color copy of the signature page of the target's passport. Scam artists give "guarantees," frequently in writing, that the money will remain in the target's account, under her sole control, throughout the term of the program.

The purpose of these schemes is to obtain enough information about the target to allow the scam artist to impersonate the target and take the money from the designated account.

Additional material and information that may be requested include a color photo, a reproducible copy of the target's signature and other key personal information, including a passport number, a personal bank account number, routing number and SWIFT code.

Employees of the Federal Reserve Bank of New York and the Federal Reserve System do not offer investments to the general public. Furthermore, the Federal Reserve does not use any agents that are authorized to deal with the general public.

"Prime Bank" and Other Financial Instrument Fraud Schemes SR 02-13, May 20, 2002

Testimony of Herbert A. Biern: "Prime Bank" Schemes SR 02-13, May 20, 2002
The Deputy Associate Director of Banking Supervision and Regulation before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate
July 17, 1996

Federal Trading Program
July 2005

In this scam, a target is told that the Federal Reserve uses a "Federal Trading Program" to enhance the U.S. economy.

According to the scam artist's explanatory documents, participation in the program requires proving ownership of unencumbered assets worth \$100 million or more. The target is told that these assets must then be

transferred to a "safe keeping account," conveniently at the target's bank, where the target will have "complete access to [his/her] funds at all times."

Once the money is in this account, the Federal Reserve purportedly assigns a "federal trading number" so that the number of trades can be monitored. The Federal Reserve also purportedly will guarantee, in writing, the rate of return.

The purpose of the scheme is to obtain enough initial information about the target to allow the scam artist to impersonate him and take the money from the designated account.

Sample Fraud

Scams by Persons Claiming to be Federal Reserve Personnel Seeking Account Information

June 2005

The Federal Reserve Bank of New York is aware of a scam by persons claiming to be Federal Reserve "security department" personnel seeking "account" information by e-mail. This message is not sent by or on behalf of the Federal Reserve Bank of New York. The e-mail's attachment contains a virus and should not be opened.

Sample Fraud (gif - 20 kb)

Federal Reserve Checks

July 2005

The Federal Reserve Bank of New York receives many inquiries about promissory notes and checks purportedly payable by the Federal Reserve Bank of New York.

One type of inquiry involves checks that are purportedly drawn against accounts maintained at the Federal Reserve Bank of New York by various institutions and individuals—typically foreign central banks. Although foreign central banks do maintain accounts at the Federal Reserve Bank of New York, they do not have check writing privileges on those accounts.

Special Invitation Federal Reserve Websites

January 2003

The Federal Reserve Bank of New York is aware of a scam involving the use of websites that purport to be official Federal Reserve websites. The sites look similar to the official Federal Reserve Bank of New York website and may use Federal Reserve trademarks and logos.

These fraudulent sites may indicate that the site is a "special invitation website." The sites may ask an Internet user to enter an "invitation code and pin" to access his personal account page or check the status of his foreign payments.

The Federal Reserve Bank of New York and the Federal Reserve System do not offer investments or payment services to the general public, nor do they use any agents that are authorized to deal with the general public.

Sample Fraud (jpg - 35 kb)

Development Investment Programs

January 2003

Numerous investment scams purport to "enhance assets" for project development. These scams often invoke the name of the Federal Reserve or cite Federal Reserve research.

The scam artist tries to convince a would-be investor to place his funds with an asset manager, who will enhance the investment while funding various humanitarian projects, such as building bridges in developing countries.

Sample Fraud (jpg - 119 kb)

Various Nigerian 4-1-9 Scams

January 2000

Several financial frauds and scams originate in Nigeria and are commonly called "4-1-9" after the relevant section of the Nigerian Penal Code. Some, but not all, invoke the name of the Federal Reserve. All of these scams are fraudulent.

See also: Nigerian Funds Placement Schemes

